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Rural BEAR & the General Session

Although Utah's economy has begun to turn, the Utah State Legislature was appropriately still cautious in their expenditures this year. However, rural Utah's economic development efforts fared very well through several new pieces of legislation, many of which will be highlighted in this newsletter.

Perhaps the most significant legislation that didn't pass involved finding a way to increase the funding available for tourism promotion. This legislation ran into rough waters in the House and didn't pass. This is a critical issue for rural economic development as Utah's tourism promotional budget falls further and further behind states like Colorado, Arizona, and Nevada. Hopefully, our rural leaders will step forward with a way to address this need that everyone can support.

For those of you who were active this year in your efforts to support legislation to improve Utah's rural economy, thank you for helping your rural friends and neighbors. For those who sat passively by while others shouldered the load, let me share the words of President Lyndon B. Johnson, "You will find meaning only by sharing in the responsibilities, the dangers, and the passions of your time."

Keep the Cameras Rolling

Many areas of rural Utah have benefited tremendously from the production of movies, television series, and commercials. Although the Utah Film Commission is one of the best in the nation, the number of production days has dropped like a rock recently. This is largely due to very lucrative incentives offered by Canada and states like New Mexico. As one Utah producer said during hearings, "I love Utah, but can't afford to put a half million dollars on the table every time I shoot a film here." Senator Howard Stephenson took the lead on SB190, which was widely supported by the Legislature. This bill provides sales and use tax exemptions that will encourage the production and post production of more films, television shows, videos, and commercials in Utah. These incentives are a good start, but the Legislature went even further by creating a Motion Picture Task Force to see what else needs to be done to assure Utah continues to be an industry leader.



Biomass and Renewable Energy

Rural Utah is in an outstanding position to enhance its economy through the development of biomass and renewable energy projects due to the efforts of Senator Leonard Blackham. His Senate Bill 19 exempts equipment used in such projects from state sales tax. This legislation takes on special rural meaning when one looks at the projects that would qualify if they use the following sources to produce energy:



Dave Harmer
Executive Director
DCED

"Rural Utah's legislators support economic development because they see the need and recognize the opportunities in their respective communities".

Material from a plant or tree	Slash and brush from forests and woodlands
Animal Waste	Methane produced at landfills
Methane from wastewater treatment by-products	Methane produced by aquatic products
Methane produced from agricultural products	Geothermal resources
Hydroelectric resources	Solar resources
Wind resources	

Rural Resource of The Month:

Renewable Energy Homepage

SB19 is the Utah State Legislature's way of saying to rural Utah, "Now here's a tool. Go use it!" The U.S. Department of Energy's Energy Efficiency and Renewable Energy Homepage (That's the USDEEERE for short) is a great place to learn more about this great opportunity. The website provides extensive information on geothermal, bio-energy, hydrogen, ocean, solar and wind power. Also included is their biomass program with information on bio-fuels, bio-power and bio-products. There's a lot of great information so dedicate the time to look around their Internet website at <http://www.eere.energy.gov>.

Rewarding State Agencies

Another bill successfully sponsored by Senator Blackham provided funding and a mechanism to reward several State departments who contract with Utah Smart Site firms located in rural Enterprise Zones. The idea behind the legislation was that IT buyers from State agencies are typically located on the Wasatch Front where they are in daily contact from large, urban IT vendors. The legislation provides several State departments with a performance-based incentive if they move outside their comfort zone and contract with rural technology-based companies in our more distressed rural counties. Senator Blackham stressed that the intent is not to provide preference for rural companies, but to encourage State IT buyers to go the extra mile to open the door for these small IT firms.

(Continued on next page.)

Getting To Know Us



**Ron Richins, Director
Utah Business
Development Program**

Ron has been serving as Director of Business Development for the State of Utah for six years. Ron oversees several programs including our Rural Team. Before joining the State, he was a Senior Vice President over Business Development and the Branch Administrator for First National Bank in Layton, Utah. Ron worked in Business Development for five years at Davis County where he handled recruitment of companies to the County, as well as the needs of existing business. He managed the revolving loan fund for the County.

Ron has a total of fifteen years banking experience and serves on various private and community boards.

He is a partner in a cattle ranching operation with his brother. Ron lives in Layton with his wife Marsha. They have four children.

Smart Site. Director Ed Meyer explains that this could occur in several ways. "Often the IT services needed by a state agency are bundled into a contract too large for a rural firm RFPs are released response time with bidders who can put response are those specializing in bid

Often rural firms opportunities or lack prepare a sound bid. often don't get the that would allow the awarding a bid. could be addressed, reason for the buyer Senator Blackham's reason."



Image courtesy of www.moviegoods.com

to bite off. Sometimes with a very short the result that the only together a competitive with large staffs preparation.

don't know about bid the technical skills to In addition, rural firms "face time" with IT buyer buyer to feel comfortable These issues and more but there needs to be a to do so. We hope legislation provides that

Solving the EZ Dilemma

Recently the U.S. Census changed how it identifies a "Metropolitan Statistical Area (MSA)" by including commuting patterns in its considerations. As a result, several rural counties adjacent to Salt Lake, Utah, Weber, and Davis Counties were re-designated as being part of a metropolitan statistical area. This was a problem for Juab County, for example, because several areas in their county had been designated as Enterprise Zones. Enterprise Zones provide state income tax credits for businesses not involved in public utilities or retail sales, but they cannot exist in an MSA. SB199 modified the eligibility criterion to allow rural counties in MSAs to still have Enterprise Zones if they meet all other requirements for designation. Juab County extends its thanks to Senator Blackham and to DBEDs Enterprise Zone Coordinator Jonnie Wilkinson for bringing the issue to Senator Blackham's attention.

What If Opportunity Knocks and You Can't Make It To The Door?

One of the most frustrating moments you face as staff within the Utah Division of Business and Economic Development is when a rural elected official or economic development professional approaches you with a great idea and assumes you have money to make the idea happen. Like all state agencies, we operate with a very tight budget approved by the Legislature. Consequently, we seldom, if ever, have money laying around waiting for your favorite project. (Continued on next page.)

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Jonnie Wilkinson
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Also On Our Team

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Price SBDC/PTAC
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Moab SBDC
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San Juan County SBDC
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6 County AOG PTAC
(435) 896-9222

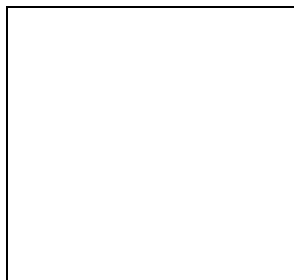
Bear River AOG PTAC
(435) 752-7242

Unless the great idea is timed perfectly to coincide with the submission of the agency's budget for the upcoming year to the Governor, there hasn't been much we could do to help. Through HB75 introduced by Representative David Clark, there may now be a way to help. The legislation allows for up to 20% of the Division of Business and Economic Development's Industrial Assistance Fund to be dedicated to economic development ideas that arise during the year.

OK, hold your horses! Did any of you see the old movies of the Oklahoma Land Rush where homesteaders literally ran over one another to stake a claim? That's what could happen here if there aren't some clear policies established about how to take advantage of this new legislation. The bottom line is that the Legislature provided DBED with a valuable new tool and we'll have to wait a while to learn how we will be able to use it.

Utah Smart Sites by the Numbers

12	New Utah Smart Sites in the last year
38	Total rural businesses are now Utah Smart Sites
27	Utah Smart Sites added employees over the last year
10	Utah Smart Sites did not add or lose employees over the last year
4	Utah Smart Sites lost employees over the last year (3 closed)
233	New Smart Site jobs created over the last year
63	Smart Site jobs lost over the past year
750	New Smart Site jobs since the program began three years ago



- ◆ The Department of Justice awarded its first National Translation Center contract to NWB Technologies, the Northwestern Band of the Shoshoni Indian Nation's Utah Smart Site.
- ◆ Samsung Data Service announced a teaming agreement with Suh'dutsing, the Cedar Band of the Paiute Indian Tribe's Utah Smart Site.
- ◆ Northrop Grumman signed teaming agreements with NWB Technologies, Suh'dutsing and Uinta River Technologies, the Northern Ute Indian Tribe's Utah Smart Site. The Department of Interior has requested that all three Tribal Smart Sites be approved by the SBA for an "Indefinite Deliver-Indefinite Delivery (IDIQ) contract with their agency.
- ◆ The ribbon cutting on the new home for Steten Technology Group will be on April 7th in St. George's Tonaquint center. New contracts over the last nine months with clients including the Louisiana Department of Health, Carlson Restaurants, Kegel's Produce, Burger King, and Microbac Laboratories have fueled the need for this new facility.
- ◆ Footprints has been awarded a contract to provide custom software to manage all aspects of Home Power Magazine's business including subscriptions, advertising, product sales, distribution, billing, and finance. The project will be managed from Footprints' corporate offices in Moab, Utah, a Utah Smart Site. Home Power.com is a hands-on journal of homemade power.



***Ironically,
rural America
has become
viewed by a
growing
number of
Americans as
having a
higher quality
of life not
because of
what it has,
but rather
because of
what it does
not have!
Don A. Dillman***

- ♦ Payson, Arizona has renewed its contract with Gaeaorama, Blanding's GIS/GPS Mapping Smart Site, to provide groundwater mapping and profiling services.
- ♦ St. George's e-learning Smart Site LearnKey has entered into an agreement with the University of Phoenix that allows students completing any of eighteen LearnKey courses to earn undergraduate credits from the University of Phoenix. They also opened <http://stores.ebay.com/learnkeytraining>, an eBay store where customers can buy or bid on clearance, out of print, and special offer LearnKey training titles.

... And the Envelopes, Please

Utah's first **Excellence In Rural Technology Awards** will be presented to four rural, technology-based firms by Senator Bob Bennett during the Third Annual Rural Business Conference at the Sevier Valley Center in Richfield on May 25th.



Courtesy of www.scrappydesigns.com

The Utah Smart Site Program, an initiative of the Utah Division of Business and Economic Development dedicated to developing technology-based jobs in rural Utah, is sponsoring the awards. Program director Ed Meyer explains, "When the Utah Smart Site Program began three years ago, a lot of people scoffed at the idea of companies using the Internet to provide rural jobs. Today we are working with 40 of these companies who have created 750 new jobs. Every week it seems we receive a call from another technology-based rural firm who has been flying beneath the radar unheralded in their own community. These awards draw much deserved attention to the contribution these firms make in Utah's rural communities."

Awards presented by Senator Bennett at the conference luncheon include the best small and large technology-based rural firms, the outstanding rural technology product and the outstanding "newcomer". Nominations must be submitted online by April 30th at <http://smartsites.utah.gov> where additional information about the Excellence in Rural Technology Awards is also available. Nominees must be located in counties other than Salt Lake, Weber, Davis and Utah Counties.

We're on the Web!

<http://dc.ed.utah.gov>